

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT                    )  
FILING OF HARDIN COUNTY WATER                ) CASE NO. 2012-00151  
DISTRICT NO. 1                                        )

ORDER

On April 23, 2012, Hardin County Water District No. 1 (“Hardin County”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup> Hardin County supplemented this filing with additional information on April 25, 2012.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Hardin County purchases water from United States Treasury, Garrison Resource Management – Fort Knox (“Fort Knox”).
2. Fort Knox assesses a rate for water that is composed of two components: water costs and electric power costs.
3. On August 1, 2011, Fort Knox increased the individual components of its water service rate. These increases resulted in an increase in the volumetric wholesale rate to Hardin County from \$1.71 per 1,000 gallons to \$1.83 per 1,000 gallons.
4. Hardin County proposes a purchased water adjustment factor of \$0.01 per 1,000 gallons to be applied to its rates.
5. Hardin County proposes to adjust its rates on June 1, 2012.

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

6. During the 12 months ended March 31, 2012, Hardin County purchased 42,272,000 gallons of water from Fort Knox. It sold 878,410,000 gallons of water during the same period.

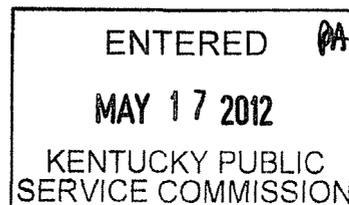
7. The purchased water adjustment factor of \$0.01 per 1,000 gallons is fair, just, and reasonable and should be approved.

8. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service that Hardin County renders on and after June 1, 2012.

IT IS THEREFORE ORDERED that:

1. Hardin County's proposed rates are approved.
2. The purchased water adjustment factor of \$0.01 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for service that Hardin County renders on or after June 1, 2012.
4. Hardin County's proposed tariff sheet filed with the application is approved.

By the Commission



ATTEST

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00151 DATED **MAY 17 2012**

	New Rate	Base Rate
Fort Knox		
Purchases in gallons	42,272,000	42,272,000
Volumetric rate	<u>\$1.83/1,000</u>	<u>\$1.71/1,000</u>
	\$77,357.76	\$ 72,285.12
Increased water cost		\$5,072.64
Increased water cost		\$5,072.64
Divided by gallons sold		<u>878,410,000</u>
Purchased water adjustment factor		\$0.0058
		or \$0.01 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00151 DATED **MAY 17 2012**

The following rates and charges are prescribed for the customers in the area served by Hardin County Water District No. 1. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Volume Rates

First	15,000 gallons	\$ 4.43 per 1,000 gallons
Over	15,000 gallons	\$ 3.17 per 1,000 gallons
Wholesale Rate		\$ 1.93 per 1,000 gallons

Mr. James S Bruce  
General Manager  
Hardin County Water District #1  
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